

▶ See separate instructions.  
▶ Attach to Form 1040 or 1041

Name(s) as shown on return

Social security or EIN no.

**Part I Computation of 1988 Passive Activity Credits**

**Caution:** See Worksheets 1, 2, and 3 in the instructions. If you have credits from a publicly traded partnership, see the instructions for Credits From Publicly Traded Partnerships.

**Rental Real Estate Activities With Active Participation**  
(See the definition of active participation under Part II of the instructions.)

<b>1a</b> Credits from Worksheet 1, column (a) . . . . .	<b>1a</b>			
<b>b</b> Credits from Worksheet 1, column (b) . . . . .	<b>1b</b>			
<b>c</b> Prior year unallowed credits from Worksheet 1, column (c) . . . . .	<b>1c</b>			
<b>d</b> Add lines 1a, 1b, and 1c . . . . .				<b>1d</b>

**Rehabilitation Investment Credits and Low-Income Housing Credits From Rental Real Estate Activities**

<b>2a</b> Credits from Worksheet 2, column (a) . . . . .	<b>2a</b>			
<b>b</b> Credits from Worksheet 2, column (b) . . . . .	<b>2b</b>			
<b>c</b> Prior year unallowed credits from Worksheet 2, column (c) . . . . .	<b>2c</b>			
<b>d</b> Add lines 2a, 2b, and 2c . . . . .				<b>2d</b>

**All Other Passive Activity Credits** (See the instructions for lines 3a, 3b, and 3c.)

<b>3a</b> Credits from Worksheet 3, column (a) . . . . .	<b>3a</b>			
<b>b</b> Credits from Worksheet 3, column (b) . . . . .	<b>3b</b>			
<b>c</b> Prior year unallowed credits from Worksheet 3, column (c) . . . . .	<b>3c</b>			
<b>d</b> Add lines 3a, 3b, and 3c . . . . .				<b>3d</b>
<b>4</b> Add lines 1d, 2d, and 3d . . . . .				<b>4</b>
<b>5</b> Enter the tax attributable to net passive income (see instructions). . . . .				<b>5</b>
<b>6</b> Subtract line 5 from line 4. If line 5 is more than or equal to line 4, enter -0- and see the instructions. If line 4 is more than line 5 and line 1d shows an amount, go to Part II. Otherwise, go to Part III if line 2d shows an amount. If both 1d and 2d are -0- or blank, go to Part IV . . . . .				<b>6</b>

**Part II Computation of the Special Allowance for Rental Real Estate Activities With Active Participation**

**Note:** See the Instructions for Part II to see who should complete this Part.

<b>7</b> Enter the smaller of line 1d or line 6 . . . . .				<b>7</b>
<b>8</b> Enter \$150,000. If married filing separately, see instructions . . . . .	<b>8</b>			
<b>9</b> Enter modified adjusted gross income, but not less than -0-. (See instructions.) If line 9 is equal to or greater than line 8, skip lines 10 through 14 and enter -0- on line 15 . . . . .	<b>9</b>			
<b>10</b> Subtract line 9 from line 8 . . . . .	<b>10</b>			
<b>11</b> Multiply line 10 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see instructions . . . . .	<b>11</b>			
<b>12</b> Enter the amount, if any, from line 9 of Form 8582 . . . . .	<b>12</b>			
<b>13</b> Subtract line 12 from line 11 . . . . .	<b>13</b>			
<b>14</b> Enter the tax attributable to the amount on line 13. (See instructions.) . . . . .				<b>14</b>
<b>15</b> Enter the smaller of line 7 or line 14. If you have an amount on line 2d, go to Part III; otherwise, go to Part IV . . . . .				<b>15</b>

**Part III Computation of the Special Allowance for Rehabilitation Investment Credits and Low-Income Housing Credits From Rental Real Estate Activities (See the instructions for Part III to see who should complete this Part.)**

**Note:** If you do not have an amount on line 2d skip Part III and go to Part IV.

16	Enter the amount from line 6 . . . . .	16		
17	Enter the amount from line 15 . . . . .	17		
18	Subtract line 17 from line 16. If -0-, enter the amount, if any, from line 15 on line 30 and then go to line 40	18		
19	Enter the smaller of line 2d or line 18 . . . . .	19		
20	Enter \$250,000. If married filing separately, see instructions. (See instructions to see if you can skip lines 20 through 25.) . . . . .	20		
21	Enter modified adjusted gross income, but not less than -0-. (See instructions for lines 9 and 21.) If line 21 is equal to or greater than line 20, skip lines 22 through 28, enter -0- on line 29, and then go to line 30. Otherwise, go to line 22 . . . . .	21		
22	Subtract line 21 from line 20 . . . . .	22		
23	Multiply line 22 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see instructions . . . . .	23		
24	Enter the amount, if any, from line 9 of Form 8582 . . . . .	24		
25	Subtract line 24 from line 23 . . . . .	25		
26	Enter the tax attributable to the amount on line 25. (See instructions.) . . . . .	26		
27	Enter the amount, if any, from line 17 . . . . .	27		
28	Subtract line 27 from line 26 . . . . .	28		
29	Enter the smaller of line 19 or line 28 . . . . .	29		

**Part IV Computation of Passive Activity Credit Allowed**

30	Add lines 15 and 29. If this line shows the same amount as line 6, go to line 40. Otherwise, go to line 31	30		
31	Add lines 1a, 2a, and 3a . . . . .	31		
32	Enter the tax attributable to passive income from activities acquired before 10-23-86. (See instructions.)	32		
33	Subtract line 32 from line 31. If line 32 is equal to or greater than line 31, enter -0- . . . . .	33		
34a	If line 1a is -0- or blank, enter -0-. Otherwise, see instructions for line 34a	34a		
34b	If line 2a is -0- or blank, enter -0-. Otherwise, see instructions for line 34b	34b		
35	Add lines 34a and 34b . . . . .	35		
36	Subtract line 35 from line 33. If line 35 is equal to or greater than line 33, enter -0- . . . . .	36		
37	Subtract line 30 from line 6 . . . . .	37		
38	Enter the smaller of line 36 or line 37 . . . . .	38		
39	Multiply line 38 by 40% (.4) and enter the result . . . . .	39		
40	<b>Passive Activity Credit Allowed.</b> Add lines 5, 30, and 39. See the instructions for <b>Credits From Publicly Traded Partnerships</b> if you have any credits from a publicly traded partnership . . . . .	40		

**Note:** Use Worksheets 4 through 7, whichever applies, to allocate the allowed and unallowed credits if you have credits from more than one passive activity. Also use the worksheets if you must allocate the credits because they are reported on different forms.